BRITISH COLUMBIA
The Best Place on Earth

BCStats

Infoline

Contact: bcstats.infoline@gov.bc.ca *Issue: 10-40* *October 8th, 2010*

- **Unemployment rate inches up to 7.5% as labour force increases**
- **Building permits up in August, rising 1.0%**
- **Most Canadians feel relatively safe from crime**

Labour Force

- **British Columbia's unemployment rate edged up 0.2 percentage points in September, rising to 7.5%.** The increase in the jobless rate was a result of more people participating in the labour force (+0.2%).

  BC's jobless rate remains below the national average (8.0%), but is the highest among the western provinces Manitoba (5.4%), Saskatchewan (5.5%), and Alberta (6.2%).

  In the goods-producing sector, employment increased in September (+1.6%). Job gains in construction (+5.8%) and manufacturing (+2.2%), the largest goods industries, were offset by losses in utilities (-20.1%), forestry, fishing, mining, oil and gas (-7.8%), and agriculture (-2.7%).

  Employment in the services-producing sector declined slightly in September (-0.4%), driven largely by jobs losses in educational services (-6.9%), information, culture and recreation (-4.9%), and finance, insurance, real estate and leasing (-3.5%). These losses were offset by gains in other service sector industries, namely transportation (+6.7%), public administration (+3.5%), and business, building and other support services (+2.9%).

  There was virtually no change in the number of employees in the public sector in September (-0.1%) while the number of private sector employees increased (+1.4% or +20,300). In the past year, growth in the private sector (+3.7% or +51,400) has outpaced that in the public sector (+2.2% or +9,200). Since September 2009, the number of self-employed workers in BC has declined by 3.3% (-15,000 jobs). *Data Source: Statistics Canada*

- **At the regional level, unemployment rates (3-month moving average, unadjusted) ranged from 6.3% (Vancouver Island/Coast) to 10.4% (North Coast and Nechako).** Compared to the same time last year, jobless rates have improved the most in Cariboo (-4.20 ppts; 8.2%) and Vancouver Island/Coast (-0.8 ppts, 6.3%). The jobless rate has risen in the Kootenay region from 8.8% in September 2009 to 10.2% in September 2010.

  The Aboriginal population continues to face higher unemployment rates (8.9%) than the non-Aboriginal population (6.4%). However, the gap in the unemployment rate between the Aboriginal population and the non-Aboriginal population has shrunk since this time last year—2.5 percentage points in September 2010 compared to 3.6 percentage points in September 2009.

  Data Source: Statistics Canada & BC Stats

- **Canada's unemployment rate crept down 0.1 percentage points to 8.0% in September.** Most of the nation's job losses occurred in Ontario, Saskatchewan, New Brunswick and Prince Edward Island. *Data Source: Statistics Canada*

The Economy

- **The value of building permits issued by BC municipalities climbed 1.0% (*seasonally adjusted*) in August.** The increase was due to more planned activity in the residential (+20.0%) sector, which managed to offset a

Report What Could Japan's Economic Woes Mean for Trade with BC?

Did you know...

36% of all Canadian households (4.7 million) purchased turkey and turkey products for Thanksgiving in 2009. *Source: Turkey Farmers of Canada*

hefty decline in non-residential (-26.7%) permits. Permits for commercial (-33.8%), industrial (-26.2%) and institutional (-13.9%) buildings plummeted.

Planned spending was up in two of the province's census metropolitan areas, with a 24.5% surge in the Kelowna area leading the way. Both Victoria (-36.4%) and Abbotsford-Mission (-36.0%) posted downturns, while the province's largest city saw a moderate increase (+10.1%). Vancouver accounted for over eighty-five percent of the total value of building permits issued in the province in August.

Canadian permits dropped 9.2%, as decreased activity in the more populous provinces, such as Ontario (-18.5%), Alberta (-11.2%) and Quebec (-1.6%) was combined with further declines in other parts of the country. Along with BC, four other provinces posted growth. *Data Source: Statistics Canada*

- **Compared to the same period last year, the value of building permits issued by BC municipalities soared 32.7% during the first eight months of 2009.** Planned spending was higher in most regions, with the exception of Thompson/Okanagan (-8.8%) and Northeast (-6.4%). In the rest of the province, increases ranged from 1.0% in North Coast to a whopping 133.0% in Nechako, where commercial and institutional building permits were up substantially from last year. Mainland/Southwest, where more than half of the province's building activity occurs, saw a 57.3% surge in permits.

  Data Source: Statistics Canada & BC Stats

- **Sawmills and planing mills in BC produced substantially more (+18.6%) lumber this July than in the same month last year.** Both coastal mills (+14.8%) and those in the Interior (+19.1%) ramped up their output. Canadian lumber production jumped 20.6%, largely due to upsurges in BC and Quebec (+25.7%), Canada's second-biggest lumber producing province. Year-to-date, BC sawmills have accounted for over half of the nation's lumber production.

  Data Source: Statistics Canada

Victims of Crime

- **Just over one-quarter (7.4 million) Canadians, aged 15 years and older, reported being the victim of a crime in 2009, a proportion similar to that of 2004.** Seven in ten victimizations were non-violent in nature and included theft of personal (34%) or household (13%) property, vandalism (11%) and break-ins (7%). Self-reported rates of violent and household victimization were higher in western Canada, particularly Manitoba and Saskatchewan. Approximately a third (31%) of all overall incidents were reported to the police in 2009, down slightly from 34% in 2004. Victims were less likely to report violent crime to the police (29% rate of reporting) than they were to bring household incidents to their attention (36%). Overall, the majority (93%) of Canadians felt satisfied with their personal safety from crime last year.

  Data Source: Statistics Canada

Happy Thanksgiving from all of us at BC Stats!

Infoline Issue: 10-40
October 8th, 2010

For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Infoline Report

Contact: Jade Norton
(250) 387-6056
originally published in
Exports, Issue 10-07

What Could Japan's Economic Woes Mean for Trade with BC?

As China recently surpassed Japan as the second largest economy in the world[1]--a title it had held for more than 40 years--analysts are suggesting that the Japanese economy may be in need of structural reform if it is to return to its previous strength[2]. Japan appears to have been sharply affected by the global recession that began in the latter part of 2008. Although the country's economy has experienced comparable slowdowns in the past, some suggest that the problems of recent years are a signal of a greater crisis.

In October of 2007, Japan's longest post-war period of economic expansion came to a halt and the Asian giant entered into recession in 2008. Although the Japanese financial sector was not as vulnerable to sub-prime mortgages as that of the United States and was able to better weather the initial effects of the global economic slowdown, a sudden downturn in business investment and global demand for Japan's exports in late 2008 anchored it in a recession. Topics at the forefront of debates on economic reform include Japan's hefty government debt, which is estimated to have topped 192% of GDP in 2009, along with its aging and shrinking population[3].

An economic resurgence would not only benefit Japan, but also its trading partners. As they have for many other countries, economic problems in Japan have contributed to a slowdown in the amount of goods it imports from other parts of the world. Not surprisingly, in the wake of the global economic recession, exports from BC to most parts of the world dropped off substantially in 2009, and Japan was no exception. Longer term trade patterns between BC and Japan have also developed in recent years and trade between the two has undergone some interesting transformations.

Japan is a top destination for BC exports

Japan is British Columbia's second largest trading partner (after the United States), so naturally, the province has felt the sting of a reduction in exports destined to Japan. Mostly due to its proximity to the Pacific Ocean, British Columbia depends more on exports to Japan than any other province in Canada. In fact, historically, BC has been the source of over half of all Canadian commodity exports to Japan, peaking in 1994, when 59% of all Canadian shipments to Japan came from BC.

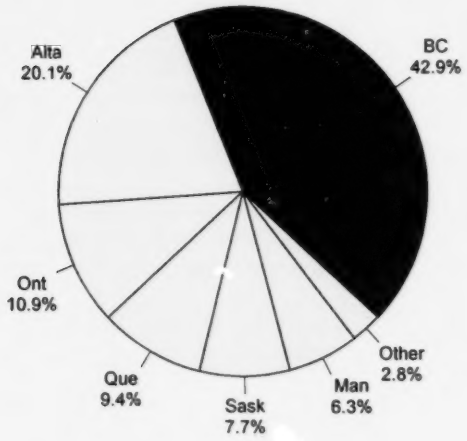
Although BC still exports a comparatively larger proportion of goods to Japan, its share of overall Canadian shipments to that country has been dwindling in recent years. In 2009, just 43% of Canadian goods shipped to Japan originated in BC, down notably from just a year prior (46% in 2008). Similarly, in 2009, the share of BC's total exports that was destined for Japan dropped to 13.8%, nearly one and a half percentage points lower than in 2008 (15.2%). Despite these recent changes, the province is still by far more dependent on trade with Japan than any other region of the country.

[1] As measured on a purchasing power parity basis.

[2] Japan Hit by Global Slowdown. The Wall Street Journal Online, August 9th, 2010: http://online.wsj.com

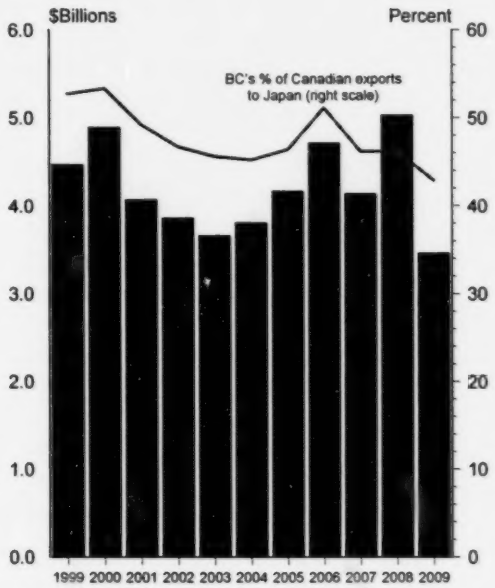
[3] World Fact Book, 2010. The United States Central Intelligence Agency: www.cia.gov/index.html

BC is still first among the provinces as a source for Canadian exports to Japan, 2009



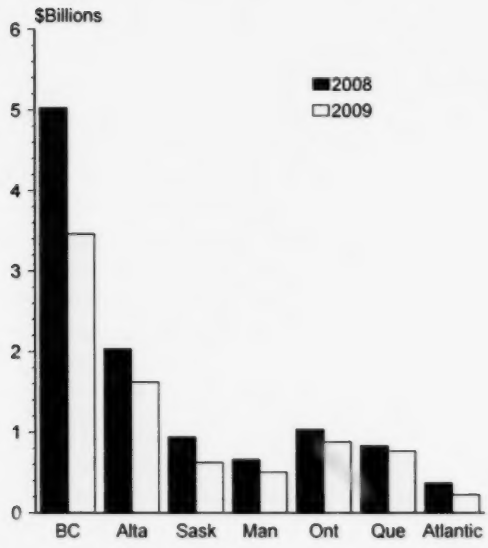
Source: Statistics Canada

BC exports to Japan hit low point in 2009



Source: Statistics Canada

BC exports far more goods to Japan than any other province

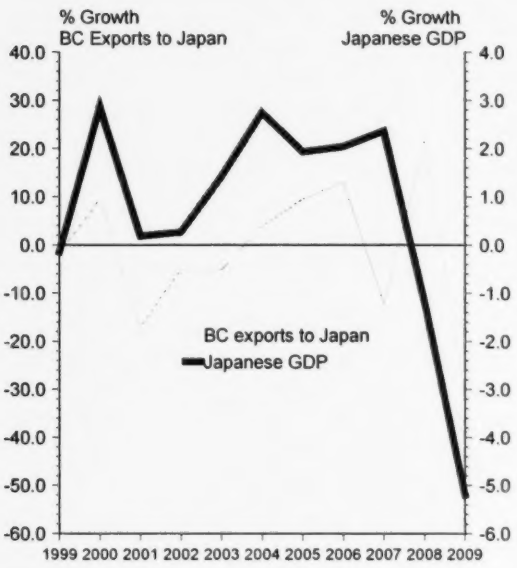


Source: Statistics Canada

Trade is affected by Japan's economy

Within the last ten years, fluctuations in the value of BC exports to Japan have consistently followed movement in Japan's GDP fairly concretely. For example, when Japan went into recession in the early 2000s, there was a notable abatement in the value of Japanese imports of goods from British Columbia. When the Japanese economy began to bounce back in 2004, BC exports to Japan followed suit. More recently, goods shipments from BC to Japan surged 21.6% in 2008, on the heels of a fairly strong increase (+2.4%) in Japanese GDP in 2007. As the economy began its cooling off period in the latter part of 2008 and into 2009, the value of BC exports to Japan also ended up slipping (-31.2% between 2008 and 2009).

Japan's economic performance tends to have an effect on its demand for goods from BC



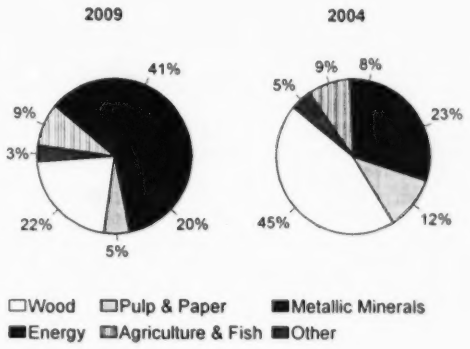
Source: Statistics Canada and IMF

One reason for the close tie between volume of exports and economy lies in the concentration of raw materials in BC's exports to Japan. Generally, a thriving economy tends to coincide with a strong manufacturing sector, which in turn results in more demand for the materials used in manufacturing goods. Conversely, a reduced demand for these products is an almost inevitable outcome of an ease in production resulting from an economic slowdown.

Types of goods shipped to Japan change

There have been significant shifts in the types of goods shipped from BC to Japan over the past five years. Demand for coal from British Columbia has climbed substantially in recent years. Despite a notable decline in 2009, when commodity exports to all destinations (with the exception of Mainland China) slumped, the value of coal shipped to Japan was nearly five times what it was in 2004 ($1.4 billion compared to $298 million). In 2009, energy products (namely coal) accounted for by far the largest share of the value of all goods shipped from BC to Japan (41%). This is in stark contrast to just five years prior, in 2004, when energy products comprised a mere eight percent of BC's shipments to Japan. In that same year, a third of the province's exports to Japan consisted of either wood products (45%) or copper and other metallic mineral concentrates (23%). By 2009, wood products accounted for substantially less (22%), while shipments of metallic mineral goods also comprised a smaller share. The only major commodity group to remain relatively on par between 2004 and 2009 was agricultural and fish products.

Types of commodities exported to Japan from BC, 2009 compared to 2004



Source: Statistics Canada

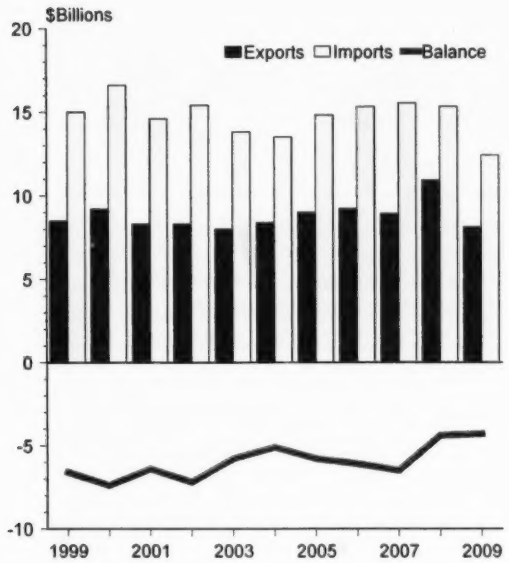
In recent years, Canada has been making efforts to expand exports of manufactured products, such as high-tech and IT-related goods, but Japan's main imports from Canada remain raw materials and agricultural products, while Japan's main exports to Canada are value-added products[4].

[4] Ministry of Foreign Affairs, Japan-Canada Relations, July 2010.

Canada's trade with Japan

In terms of overall Canadian trade with Japan, 2009 was not all doom and gloom. Historically, Canada has held a substantial trade deficit with Japan. While exports from Canada to Japan have been unstable over the last ten years, imports from Japan to Canada have also been fluctuating. The ebb and flow of trade between the two countries appears to have had a somewhat positive effect on the trade balance, such that Canada's trade deficit with Japan has narrowed slightly over the past decade. It peaked at $7.4 billion in 2000, but has improved considerably since, and rested at a decade-low of $4.3 billion in 2009.

Canada has a trade deficit with Japan



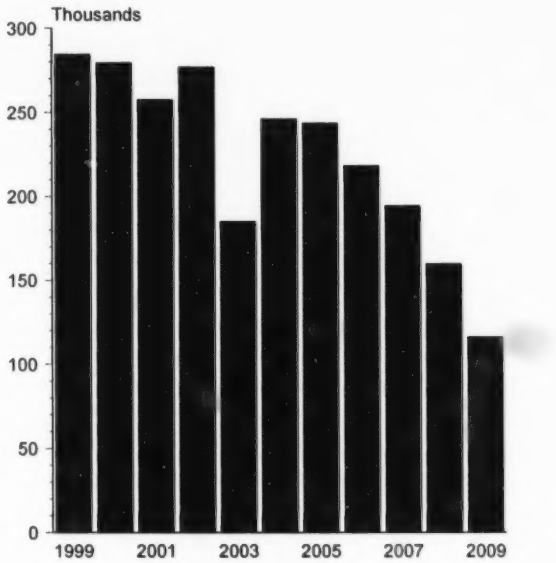
Source: Statistics Canada

Visits to BC from Japan down considerably

Much of Canada's service exports to Japan are tourism-related. The number of Japanese travellers to both BC and to Canada as a whole has dropped substantially over the past decade. In 2009, there were 63% fewer travellers entering BC from Japan than in 1999, while the number of travellers from Japan entering anywhere in Canada dropped 59% over the same time period. Between 2008 and 2009 alone, the number of Japanese travellers to BC plunged 27.3%. Although there are many other components that affect tourism from specific countries, last year was particularly difficult for the entire tourism sector, mainly due to the economic recession.

Last year marked the lowest level for Japanese tourist traffic through the province in at least 20 years. The Japanese tourist volume last year was even lower than that of 2003, when the SARS scare kept record numbers of Japanese travellers at home. Although quite stark, the drop-off in number of Japanese visitors to BC in 2009 was not necessarily an outright anomaly, since visits to BC from Japan have been trending downward for several years.

The number of tourists from Japan to BC has seen a notable drop-off in recent years



Source: Statistics Canada and BC Stats

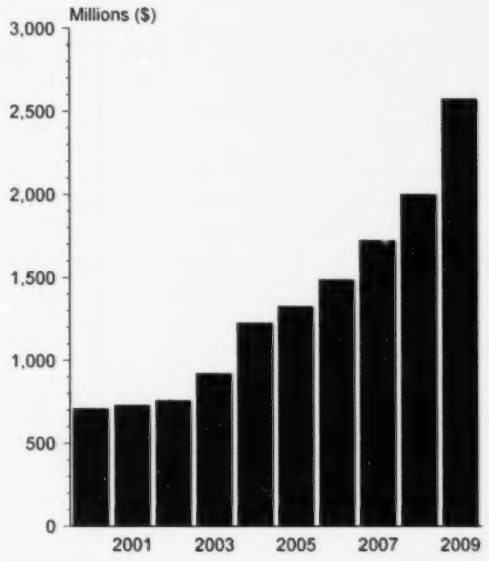
Outlook for BC's trade with Japan

Japan has long been a substantial component of BC's trade climate and has helped to give the province a more diverse export market. In times when economic downturns in the US cause trouble for the Canadian markets, strength in trade with Japan can play a role in easing these effects. However, when the tide turns and Japan slips into an economic slump, BC traders can end up in a particularly vulnerable position.

It follows that If Japan begins to bounce back from its economic slump, it would likely go a long way in helping to kick-start British Columbia's economic recovery. On the other hand, if Japan continues to struggle, although it would most definitely remain a main player in trade with BC, the province may have to further modify its trade patterns. There has already been some shifting in terms of volume, types of commodities and destinations for goods shipped from the province. Given its burgeoning economy, it is not surprising that for the past decade, China has made notable gains in overall expansion of trade with British Columbia.

In addition to a 31.2% slump in shipments to Japan, exports from BC to most parts of the world dropped off substantially last year. Shipments of goods to the United States were down 26.6%, while exports to other principle trading partners, such as the European Union (-35.7%) and South Korea (-15.2%) were also well below 2008 levels. Meanwhile, amidst this bleak outlook, exports of commodities from BC to Mainland China surged (+28.7%). In 1999, BC exports to China were valued at just $582 million and by 2009, the value of exports had soared 342.0% to reach $2.6 billion. The increase in exports to China, coupled with floundering exports to other destinations, caused China's share of total BC origin exports to jump from 6% to 10% between 2008 and 2009. This could be an indication that China may eventually surpass Japan as an export destination for BC goods.

BC exports to China have climbed substantially over the past decade



Source: Statistics Canada

Statistics Canada's Survey Skills Workshops

Call for our workshop calendar!

Turning Statistics Into Stories

Join us for a one day workshop that will help you define your target audience, use statistics to present your story and put statistics into a context that your audience can understand.

This is a hands-on workshop in which participants will have the chance to practice what is being taught with simple exercises and a variety of examples from real data collected from Statistics Canada. Emphasis is put on how to define and approach your target audience and how to get your message across in five easy to follow steps. As a result, you will get your message out in the most effective manner.

VICTORIA

November 2, 2010
8:30 a.m. - 4:30 p.m.

Venue:
Room 402, PWGSC
1230 Government St.
Victoria, BC V8W 3X4

Register early as space is limited

Fee is $300 + HST

Early registration: $275 + HST (at least 3 weeks prior)

Workshop Topics include:

- Five steps of turning statistics into stories
- Methods of presenting data
- Determine the readership
- Sources of data
- Standard classifications
- Statistical techniques: Adjustments
- Writing with numbers
- Use of graphs and charts

Learn from the Survey Experts!!

F.T.

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Title: _____

Organization: _____

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To register or for more information, please contact:

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West Georgia St., Vancouver, BC V6B 6C7
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Fax: (604) 666-6680 or toll free (877) 287-4369
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Cancellation Policy - Cancellations received in writing 7 business days prior to the start date of the workshop will receive a full refund. After that date no refunds will be made, but a one-time substitution will be permitted. Please advise the Workshop Coordinator 3 business days before the workshop for substitutions. However, if you do not cancel and do not attend, you will be charged the full registration fee and no substitutions will be made. Travel and accommodation expenses are the responsibility of the workshop participants.

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Statistics Canada's Survey Skills Workshops

Call for our workshop calendar!

Understanding Demographic Data

Join us for a one day workshop on demographic data. This workshop will enhance your ability to understand and interpret demographic data, methods and techniques. This workshop is ideal for market researchers, policy analysts, business professionals, planners and other social scientists who use or commission demographic data.

As a result of your participation, you will be able to more effectively and accurately analyze demographic data. In addition, the workshops will increase your awareness of the availability of population data and current research techniques being used.

The workshop will include discussions on:

- Population growth – births, deaths and migration
- Population pyramids – rates and ratios
- Population estimates
- Population projections

VICTORIA

November 3, 2010
8:30 a.m.—4:30 p.m.

Venue:
BC Stats Boardroom
553 Superior St.
Victoria, BC V8W 1T7

Register early as space is limited

Fee is $300+ taxes

Early registration: $275 + taxes (at least 3 weeks prior)

Learn from the Survey Experts!!

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To register, please return form to:

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Canada

Infoline

October 8, 2010
Issue 10–40

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also on the Internet at www.bcstats.gov.bc.ca or choose RSS

BC at a glance . . .

POPULATION (thousands)	Jul 1/2010	% change on one year ago
BC	4,531.0	1.6
Canada	34,108.8	1.2
GDP and INCOME (Revised Nov 9)		% change on
(BC - at market prices)	2008	one year ago
Gross Domestic Product (GDP) *($ millions)*	197,931	3.3
GDP *($ 2002 millions)*	164,520	0.0
GDP *($ 2002 per Capita) (reflects revised pop)*	37,529	-1.7
Personal Disposable Income *($ 2002 per Capita)*	25,931	3.2
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Jul 2010	3,003	-2.9
Merchandise Exports - Jul 2010	2,386	-4.8
Retail Sales - Jul 2010	4,786	-0.4
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - Aug 2010)	one year ago	% change
BC	1.5	0.6
Vancouver	1.8	0.9
Victoria	1.2	0.3
Canada	1.7	1.2
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Sep 2010	prev. month
Jobs Created (-Lost) - BC	-0.3	
Labour Force - BC	2,508.2	0.2
Employed - BC	2,320.3	0.0
Unemployed - BC	187.9	3.5
		Aug 2010
Unemployment Rate - BC *(percent)*	7.5	7.3
Unemployment Rate - Canada *(percent)*	8.0	8.1
INTEREST RATES (percent)	Oct 6/2010	Oct 7/2009
Prime Business Rate	3.00	2.25
Conventional Mortgages - 1 year	3.30	3.70
- 5 year	5.39	5.49
US-CANADA EXCHANGE RATE	Oct 6/2010	Oct 7/2009
(avg. noon spot rate) Cdn $ per US $	1.0073	1.0619
(closing rate) US $ per Cdn $	0.9837	0.9413
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Sep 2010	one year ago
BC	836.70	3.2
Canada	829.66	2.0

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Academic Journal Reviews Impact on Census

The publication of the schedule of questions for the 2011 Census on June 26, 2010 in the *Canada Gazette* was the first public appearance of plans by the Federal Government to fundamentally alter the basis of the questionnaire that is the bedrock of dozens of other high profile surveys such as the Labour Force Survey and the Consumer Price Index. Much has appeared in the press and other media stating both sides of the argument. The University of Toronto Press has contributed a series of articles in the journal *Canadian Public Policy* to bring sound academic argument to lay the foundation of fact on which to base further discussion of the policy decision by the Federal Government.

www.bcstats.gov.bc.ca/census.asp#C2011

Open Data extends to Trade Profiles and Quarterly Regional Statistics

This completes the initial phase of a project to offer Excel/CSV equivalents for files previously available only in PDF format. The files are available through our Area Profiles page.

www.bcstats.gov.bc.ca/data/dd/profiles.asp

Labour Force Participation Rate Projections

The model uses an entry-exit rate methodology to project age/sex-specific participation rates by age cohort—i.e., people of the same generation—for the period 2010–2036. This approach, which was pioneered by the Organization for Economic Co-operation and Development, takes into account the wide differences in participation among cohorts and generates projections that are more plausible than the alternative age group extrapolation approach.

www.bcstats.gov.bc.ca/data/lss/labour.asp#pubs

Released this week by BC Stats

- Tourism Sector Highlights, September 2010
- Quarterly Regional Statistics, 2nd Quarter 2010
- Labour Force Statistics, September 2010
- Earnings & Employment Trends, Sept. 2010

Next week

- Business Indicators, September 2010
- Exports, August 2010

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